

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

IN RE:

COMMERCIAL FINANCIAL
SERVICES, INC., and

CF/SPC NGU, INC.,

Debtors and Debtors in Possession.

COMMERCIAL FINANCIAL
SERVICES, INC.,

Plaintiff,

v.

JAY L. JONES,

Defendant.

Case No. 98-05162-R
Chapter 11

Case No. 98-05166-R
Chapter 11 Jointly Administered
with Case No. 98-05162-R

FILED

JUL 26 2000

Phil Lombardi, Clerk
U.S. DISTRICT COURT

Adv. No. 99-0005-R

District Court No. 00-CV-00337(H)

ORDER DENYING MOTION TO WITHDRAW REFERENCE

On July 6, 2000, the Court held a status conference and heard argument on the "Motion to Withdraw the Reference and Brief in Support Thereof" (the "Motion to Withdraw Reference") filed by the Defendant, Jay L. Jones, on February 24, 1999. In connection with the Motion to Withdraw Reference, the Court has received the "Memorandum Opinion Regarding Defendant's Motion to Dismiss and Motion to Abstain, and Recommendation Regarding Defendant's Motion to Withdraw the Reference" (the "Recommendation") entered on April 21, 2000 by the Honorable Dana L. Rasure, United States Bankruptcy Judge. After review of the relevant pleadings and hearing the arguments of counsel, the Court finds as follows:

A. The Court has jurisdiction over the parties and matters asserted herein.

B. The Court finds persuasive the reasoning and arguments of the Bankruptcy Court as more fully set forth in the Recommendation.

C. The Defendant's assertion of setoff in his "affirmative defense" constitutes a claim against CFS. He has therefore effectively waived his right to a jury trial and submitted himself to the jurisdiction of the Bankruptcy Court. The Court finds the case of Styler v. Jean Bob Incorporated (In re Concept Clubs, Inc.), 154 B.R. 581 (D. Utah 1993) is unpersuasive.


D. The Court should adopt the Recommendation and deny the Motion to Withdraw Reference.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The Court accepts the Recommendation and the Motion to Withdraw Reference is denied.

2. The Court adopts by reference the findings of fact and conclusions of law dictated into the record at the hearing held on July 6, 2000 as if fully set forth herein.

Dated this 25TH day of July, 2000.


SVEN ERIK HOLMES
UNITED STATES DISTRICT JUDGE

Approved for Entry By:



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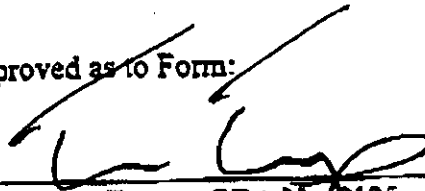
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